

Evaluating Institutional Support for Financing Women Entrepreneurs in Tamilnadu and Karnataka using Predictive Analytics

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Abstract: The present study is focused to analyze the dynamic role and contribution of various Financial Institutions and Government Agencies through different lending schemes over the development of small-scale women entrepreneurs in Tamilnadu and Karnataka States. The present study is of empirical research type. Tirunelveli, Theni, Virudhunagar & Dharmapuri districts from Tamilnadu and Mandya, Udipi, Bagalkot & Raichur Districts from Karnataka have been chosen for collecting primary data. A sample of 463 from Tamilnadu and 423 from Karnataka from the registered women SSIs were selected using a structured interview schedule through a stratified random sampling method. Statistical methods such as percentages, rank tests, chi-square tests, and t-tests were employed. The results indicate that there are variations among small-scale women entrepreneurs in both the states with regard to their awareness and satisfaction level on varied lending schemes of various financial and supportive intermediaries. Many of them have availed financial assistance under various lending schemes are very satisfied. Both Tamilnadu and Karnataka were highly fulfilled with the all-general services. Government agencies need to oversee the effectiveness of training programs in reaching the intended women entrepreneurs.

Keywords: Women Entrepreneurs, Financial Awareness, Micro Finance Institutions, Government Agencies, Lending Schemes, FinServe

1. Introduction

Commercial banks, government organizations and other financial institutions have a special role in the growth process of women entrepreneurship at small scale level in India as finance has been the major key for continued expansion of enterprises run by women entrepreneurs. Women entrepreneurs in this new era, apart from facing so many challenges both internally and externally, are potentially competent to withstand all kind of risk and are become capable personalities to run their enterprises in an effective and efficient manner. Banks, Financial Institutions and Government Agencies are greatly associated with activities that lend a hand to its customers with a high degree of financial supports. In the recent years, financial institutions have been engaged in providing various kinds of

loans generally non-collateral basis, intended to uplift the business of their customers especially to the women category. The current study aims to analyze the role of financial institutions in the development of small-scale women entrepreneurs between Tamil Nadu and Karnataka State.

2. Statement of the Problem

The contribution of the MSME sector, particularly by women entrepreneurs, to India's GDP has been growing steadily over the past few decades. The policies of various government bodies have greatly supported women small scale units both financially and non-financially. With regard to the state of Tamilnadu and Karnataka several organizations like TANSIDCO, Centre for Entrepreneurship Development (CED), KSFC, KSSIDC, SIPCOT, SSIB, DIC etc. have been engaged in provide financial and technical assistance particularly women entrepreneurship for new startups and modernization& expansion of existing SSI units run by women in both Tamilnadu and Karnataka. There has been only limited research on the role of banks and financial institutions in the growth of small-scale women entrepreneurs. Further, there was very few attempts made to analyze two different states comparatively to examine the role of financial institutions and supports from government agencies to small scale women entrepreneurs. That is why the present study is entitled as "role of finance institutions and government agencies on small scale women entrepreneurs in Tamilnadu and Karnataka".

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3. Review of Literature

Doris and Samed (2014)¹ the result of their study, “Role of microfinance in the growth of rural enterprises” conducted in West Mamprusi District, Ghana reveals that the micro credit has significantly improve the small enterprises in rural area in terms of improving their ability to purchase required raw materials, adequate usage of available working capital, increased sales and business income. Ashok & Rekha Rani (2014)² pointed out that “working women contribute to national income of the country and uphold a sustainable socio-economic development of the families and communities. Less access to credit makes MFIs often target women. Microfinance is a decisive tool to empower women sector. They can benefit from MFIs as they target them with various schemes and services”. Swapna (2017)³ in her study on Impact of Microfinance on Women Entrepreneurship specifies that the opening to women micro businesses have to be motivated. They need all kind of knowledge regarding accessing loans, various government agencies, training programmes and other supports. Yadav and Unni (2016)⁴ aspirant women entrepreneurs can be practically benefited by fast access to micro finance from MFIs. This can help them organize improved priority to begin their own enterprise.

4. Objective of the Study

1. To quantity the awareness level and satisfactory level of Small-Scale Women Entrepreneurs between the two study areas.
2. To examine the role of FIs in the entrepreneurial growth of women between Tamil Nadu and Karnataka states in terms of lending and other general services.

5. Hypothesis of the Study

H₀ –The difference in the satisfactory level of Small-Scale Women entrepreneurs on the lending schemes of various Financial Institutions and Government agencies between Tamilnadu and Karnataka are not significant.

6. Research Methodology

This study focuses to find the dynamic involvement and contribution of various banks and other FIs through different lending schemes over the development of small-scale women entrepreneurs. Tirunelveli, Theni, Virudhunagar & Dharmapuri districts from Tamilnadu and Mandya, Udupi, Bagalkot & Raichur Districts from Karnataka have been chosen for collecting primary data. This study is confined to primary and secondary data. Secondary data were collected through the research report, newspapers -and periodical statistical reports of various relevant institutions. A sample of (5% on population sample) 463 from Tamilnadu state out of 9258 and 423 from Karnataka out of 8476 registered Women small-scale industries (SSIs) were chosen using a stratified random

sampling method to collect primary data, which was gathered through a structured questionnaire and interview schedule.

The collected data were systematically categorized and analyzed to meet the study's objectives. Statistical methods, including percentages, rank tests, χ^2 tests, and t-tests, were employed for analysis. Specifically, the χ^2 test was used to assess significant differences in the opinions of small-scale women entrepreneurs from Tamil Nadu and Karnataka.

7. Data Analysis, Interpretation and Results

7.1 Awareness Level about Financial Institutions among Small Scale Women Entrepreneurs

| Table I: Awareness level about Financial Institutions and Government Agencies | | | | |
|-------------------------------------------------------------------------------|-----------|-----|-----------|-----|
| LEVEL OF AWARENESS | TAMILNADU | | KARNATAKA | |
| | F | % | F | % |
| VERY HIGH | 56 | 12 | 67 | 16 |
| HIGH | 37 | 8 | 55 | 13 |
| MODERATE | 106 | 23 | 89 | 21 |
| LESS | 166 | 36 | 144 | 34 |
| VERYLESS | 97 | 21 | 68 | 16 |
| TOTAL | 462 | 100 | 423 | 100 |

Source: Author Compilation

From the above table, it is inferred that 36% among all the women respondents are less aware about the financial institutions functioning in Tamilnadu where as in Karnataka it is 34%. Only 12% and 16% are fully aware of those financial institutions in Tamilnadu and Karnataka respectively. 21% of respondents don't know about the same in Tamilnadu and it is 16% again in Karnataka.

T-test: The t-value is 0.28457 and critical value is 0.02426. The result at 5% level is not significant. Thus reject H₀. The t-test reveals a significant difference in the awareness levels of financial institutions and government agencies between women entrepreneurs from Tamil Nadu and Karnataka.

7.2 Financial Institutions (FIs)/ Government Agencies (GAs) Approached by Small Women Entrepreneurs

| Table II: Financial Institutions/ Government Agencies Approached (GARRETT RANKING METHOD) | | | | | |
|----------------------------------------------------------------------------------------------|---------|--------------------|------|--------------------|------|
| F | FIs/GAs | Tamilnadu | | Karnataka | |
| | | Garrett mean score | Rank | Garrett mean score | Rank |

| | | | | | |
|----|----------------------|-------|---|-------|---|
| F1 | Public Sector Banks | 18.27 | 1 | 18.27 | 2 |
| F2 | Co-operative Banks | 13.41 | 6 | 16.90 | 4 |
| F3 | Regional Rural Banks | 12.09 | 7 | 14.52 | 6 |
| F4 | Private Sector Banks | 11.27 | 8 | 11.01 | 9 |
| F5 | TIIC/ KSFC | 17.94 | 2 | 18.98 | 1 |
| F6 | NSIC | 16.38 | 4 | 15.21 | 5 |
| F7 | MFIs | 10.69 | 9 | 11.19 | 8 |
| F8 | SIPCOT/ KSSIDC | 17.02 | 3 | 18.01 | 3 |
| F9 | SIDBI | 15.76 | 5 | 13.77 | 7 |

Source: Author Compilation

Table II reveals that the women entrepreneurs in Tamilnadu have majorly approached the public sector banks(ranked 1st) for accessing financial assistances followed by TIIC- Tamilnadu Industrial Investment Corporation (2nd Rank) and SIPCOT- State Industries Promotion Corporation Of Tamilnadu Ltd (3rd Rank). In Karnataka, it is observed that the majority of small-scale entrepreneurs have approached KSFC (1st Rank) for getting financial assistance which is followed by public sector banks (2nd Rank) and KSSIDC (3rd Rank).

7.2 Status of Loan Proposal by the Women Entrepreneurs

| Table III: Status of Loan Proposal | | | | |
|------------------------------------|-----------|-------|-----------|-------|
| STATUS | TAMILNADU | | KARNATAKA | |
| | F | % | F | % |
| Accepted | 279 | 60.39 | 289 | 68.23 |
| Rejected | 183 | 39.61 | 134 | 31.77 |
| Total | 462 | 100 | 423 | 100 |

Source: Author Compilation

Above table III shows that nearly 40 % of loan applications of the women respondents have been rejected by the financial institutions at their first proposal in Tamilnadu and the same are 31.77% in Karnataka. However, 60.39 % and 68.23% of the loan applications of total women small scale entrepreneurs have been accepted in Tamilnadu and Karnataka respectively.

7.4 Factor for Refusal of Loan Proposal by the Financial Institutions and Government Agencies

| TABLE IV: Factor for Refusal of Loan Proposal by the Financial Institutions | | | | | |
|-----------------------------------------------------------------------------|---------------------------------------|-----------|-------|-----------|-------|
| S. NO | FACTOR FOR NO LOAN REFUSAL | TAMILNADU | | KARNATAKA | |
| | | F | % | F | % |
| 1 | Lack of business plan | 34 | 18.58 | 27 | 20.15 |
| 2 | Lack of Eligibility criteria | 28 | 15.30 | 23 | 17.16 |
| 3 | Guarantee/Collateral issues | 42 | 22.95 | 17 | 12.69 |
| 4 | Variation in loan amount fixed by FIs | 12 | 6.56 | 8 | 05.97 |
| 5 | Documentation issues | 67 | 36.61 | 59 | 44.03 |
| | TOTAL | 183 | 100 | 134 | 100 |

Source: Author Compilation

Table IV clearly observed that the issues relating to documentation while applying for loan is the primary cause for the refusal of the proposals of those women respondents by the financial institutions and government agencies in both Tamilnadu (36.61%) and Karnataka (44.03%). The least cause for loan refusal is variation in the loan amount fixed by the institutions under various lending schemes. 18.58% of Tamilnadu and 20.15% of Karnataka women respondents' application has been rejected due to improper and lack of their business plan. Lack of eligibility criteria is also one among the reason for refusal of proposals.

| Table V: Refusal of Loan Proposal (T-TEST) | | | | |
|--------------------------------------------|-----------|-----------|----------|----------------------------------------------------|
| Refusal of Loan Proposal | Tamilnadu | Karnataka | t-value | Result (@5%) |
| N | 5 | 5 | 0.78213 | p<0.05 not Significant Reject H ₀ |
| DF | 4 | 4 | | |
| M | 36.6 | 26.8 | p value | |
| SS | 1639.2 | 1500.8 | 0.238931 | |
| S ² | 409.8 | 375.2 | | |

The t-test also indicates a difference between small-scale women entrepreneurs in Tamil Nadu and Karnataka concerning the rejection of loan proposals by financial institutions and government agencies.

7.5 Awareness Level among Small Scale Women Entrepreneurs (SSWEs) to Various Lending Schemes of the Financial Institutions and Government Agencies

| TABLE VI: Awareness Level of SSWEs on Lending Schemes of FIs & GAs | | | | |
|--------------------------------------------------------------------|-----------|-------|-----------|-------|
| LEVEL OF AWARENESS | TAMILNADU | | KARNATAKA | |
| | F | % | F | % |
| VERY HIGH | 48 | 10.39 | 39 | 9.22 |
| HIGH | 32 | 6.93 | 47 | 11.11 |
| MODERATE | 97 | 21.00 | 89 | 21.04 |
| LESS | 183 | 39.61 | 122 | 28.84 |
| VERYLESS | 102 | 22.08 | 126 | 29.79 |
| TOTAL | 462 | 100 | 423 | 100 |

Source: Author Compilation

The above table VI infers, out of 462 women in Tamilnadu, majority of 39.61 % are less aware of the lending schemes of FIs and GAs. Only 6.93% are highly aware and 10.39% are well known about the lending schemes. With reference to women respondents in Karnataka, 9.22% are very highly aware, 11.11 are highly aware and majority of 29.79% are unaware about the lending schemes of Karnataka FIs and GAs. It is observed that 21% of the respondents are moderately aware in both the states.

| TABLE VII: Awareness Level about various Lending Schemes (T-TEST) | | | | |
|-------------------------------------------------------------------|-----------|-----------|----------------|-------------------------------|
| Refusal of Loan Proposal | TAMILNADU | KARNATAKA | t-value | RESULT (@5%) |
| N | 5 | 5 | 0.24324 | p<0.05 Not Significant |
| DF | 4 | 4 | | |
| M | 92.40 | 84.60 | critical value | |
| SS | 13941.20 | 6625.20 | 0.406971 | |
| S ² | 3485.3 | 1656.3 | | |

The t-value is 0.24324, while the critical value is 0.406971. Since the result is not significant at the 5% level of significance with 4 degrees of freedom, the null hypothesis is rejected. This indicates a significant difference between small-scale women entrepreneurs in Tamil Nadu and Karnataka regarding the level of awareness about various lending schemes of the financial institutions and government agencies.

7.6 Sources of Information to Small Scale Women Entrepreneurs

| Table VIII: Source of Information to SSWEs | | | | | |
|--------------------------------------------|---------------------|-----------|-------|-----------|-------|
| S. NO | SOURCES | TAMILNADU | | KARNATAKA | |
| | | F | % | F | % |
| 1 | Government Agencies | 162 | 45.00 | 118 | 40.14 |
| 2 | Banks and FIs | 106 | 29.44 | 73 | 24.83 |
| 3 | Friends | 7 | 1.94 | 5 | 3.74 |
| 4 | Other Entrepreneurs | 24 | 6.67 | 19 | 6.46 |
| 5 | NGOs | 57 | 15.83 | 67 | 20.75 |
| 6 | Media | 4 | 1.11 | 12 | 4.08 |
| | TOTAL | 360 | 100 | 294 | 100 |

Source: Author Compilation

The above table interprets, 45% of Tamilnadu SSWEs and 40.14% of Karnataka SSWEs are majorly getting various information from Government agencies. The banks and other Financial Institutions come to 29.44% and 24.83% respectively. Media plays a least role in providing information about the FIs and about various schemes of lending.

χ^2 Test: The Chi square value is 12.1828, degrees of freedom 5 and critical value is 0.03237. The result is not significant ($p < \alpha$) at 5%. Hence, reject the H_0 . There is a difference in the sources of information about various lending schemes of the financial institutions and government agencies between Tamilnadu and Karnataka SSWEs.

7.7 Type of Support to SSWEs from Financial Institutions and Government Agencies

| Table IX: Type of Support | | | | |
|---------------------------|-----------|-------|-----------|-------|
| TYPE OF SUPPORT | TAMILNADU | | KARNATAKA | |
| | F | % | F | % |
| Financial support | 174 | 59.79 | 118 | 60.20 |
| Development support | 56 | 19.24 | 35 | 17.86 |
| Marketing supports | 39 | 13.40 | 32 | 16.33 |
| All | 22 | 7.56 | 11 | 5.61 |
| TOTAL | 291 | 100 | 196 | 100 |

Source: Author Compilation

χ^2 Test: The χ^2 statistic is 1.4667, degrees of freedom 3 and the critical value is 0.689984. The result is not significant at 5%. Hence, reject the H_0 . It evidenced that there is a significant variance in the type of support accessed by

SSWEs from financial institutions and government agencies between Tamilnadu and Karnataka.

7.8 Type of Lending Schemes Availed by SSWEs

| Table X: Type of Lending Schemes | | | | |
|----------------------------------|------------|------------|------------|------------|
| TYPE OF SUPPORT | TAMILNADU | | KARNATAKA | |
| | F | % | F | % |
| Financial support | 174 | 59.79 | 118 | 60.20 |
| Development support | 56 | 19.24 | 35 | 17.86 |
| Marketing supports | 39 | 13.40 | 32 | 16.33 |
| All | 22 | 7.56 | 11 | 5.61 |
| TOTAL | 291 | 100 | 196 | 100 |

Source: Author Compilation

Table X reveals the type lending schemes availed by the small-scale women entrepreneurs from the financial institutions and government agencies both in Tamilnadu and Karnataka states. In both the states it is fully depends on the nature and type of business enterprise run by women entrepreneurs. In Tamilnadu “New Entrepreneur cum Enterprise Development Scheme (NEEDS)⁹” is more popular which is given 1st rank, followed by Single Window Scheme (2nd rank) and General Term Loans (3rd rank). But as per the scenario in Karnataka, 1st rank is given to both Single Window Scheme and Working Capital Assistance, 3rd rank to Micro Loan (Individual) Loan which is yet other popular scheme introduced by Government of Karnataka.

7.9 Proportion of Debt in the Capital Structure (Early Stage and at Present)

| Table XI: Proportion of Debt in the Total Capital (Early Stage) | | | | | | | | |
|-----------------------------------------------------------------|-----------------|------------|------------|------------|-----------------|------------|------------|------------|
| Proportion of debt | EARLY STAGE (I) | | | | AT PRESENT (II) | | | |
| | TAMILNADU | | KARNATAKA | | TAMILNADU | | KARNATAKA | |
| | F | % | F | % | F | % | F | % |
| | | | | | | | | |
| <25 % | 16 | 8 | 14 | 11 | 32 | 29 | 48 | 37 |
| 25% - 50% | 39 | 20 | 21 | 16 | 44 | 39 | 53 | 41 |
| 50% - 75% | 100 | 51 | 63 | 49 | 23 | 21 | 25 | 19 |
| 75% - 100 % | 41 | 21 | 31 | 24 | 13 | 12 | 4 | 3 |
| TOTAL | 196 | 100 | 129 | 100 | 112 | 100 | 129 | 100 |

Source: Author Compilation

The debt portion in the total capital structure is exhibited by table no: 9. It is observed that the debt portion is 50% -75% for majority of 51% of the women respondents in Tamilnadu. Mostly the women depend on the bank source and subsidies from government agencies. The scenario is same in Karnataka also.24% of the respondents fully depends on external sources for business operations. Majority of 49% respondents have between 50% - 75% dept portion in their capital structure in the early stage. But at present both in Tamilnadu and Karnataka, their dept portion also has reduced from 50-75% to 25-50% at present since the profit is the main internal source for them. These will automatically have reduced their amount of interest on borrowed funds

χ² Test:

I. χ² statistic is 1.5757. Identified critical value is 0.227109. The result at 5% level is not significant.

II. The χ² statistic is 7.5862. The critical value is 0.055384. The result at 5% level is not significant.

7.10 Nature of Development in the Business Out Of Development Assistance From Fis And Gas

| Table XII: Nature of Development in the Business | | | | | |
|--------------------------------------------------|-------------------------------------|-----------|------|-----------|------|
| S. No | Nature Of Development | Tamilnadu | | Karnataka | |
| | | Mean | Rank | Mean | Rank |
| 1 | Efficient mobilization of resources | 11.958 | 3 | 11.988 | 1 |
| 2 | Increase in turnover | 11.671 | 4 | 11.465 | 2 |
| 3 | Adapting to new technology | 11.051 | 6 | 11.000 | 5 |
| 4 | Cost reduction | 11.200 | 5 | 10.841 | 6 |
| 5 | Better management of wastage | 10.007 | 10 | 10.211 | 9 |
| 6 | Operational efficiency | 12.255 | 1 | 11.250 | 3 |
| 7 | Greater marketing assistance | 10.994 | 7 | 10.650 | 7 |
| 8 | Better market price | 10.941 | 8 | 10.500 | 8 |
| 9 | No of business orders/customers | 12.134 | 2 | 11.056 | 4 |
| 10 | Improved peer network | 10.167 | 9 | 9.667 | 10 |

Source: Author Compilation

Table XII observed that the SSWEs in Tamilnadu are experiencing better the operational efficiency due to the developmental assistance from the financial institutions and government agencies for which it is given 1st rank. 2nd rank is for improved number of business orders. Whereas in Karnataka, efficient mobilization of resources is given 1st

rank, increase in turnover is on the 2nd position, followed by operational efficiency (3rd Rank). SSWEs need better assistance in improving the peer network in both Tamilnadu and Karnataka. The t-value is 1.16931 and the critical value is 0.128766. The result at 5% level is not significant. Hence, reject H_0 . The test proves that the nature of development in the business due to the development assistance from the financial institutions and government agencies between the small-scale women entrepreneurs of Tamilnadu and Karnataka is significantly different.

7.11 Satisfaction Level of SSWEs on Lending Services

| Table XIII: Satisfaction Level of SSWEs about the Lending Schemes | | | | |
|--------------------------------------------------------------------------|-----------|-------|-----------|-------|
| Level Of Satisfaction | Tamilnadu | | Karnataka | |
| | F | % | F | % |
| Extremely Satisfied | 203 | 43.94 | 165 | 39.01 |
| Satisfied | 46 | 9.96 | 51 | 12.06 |
| Neutral | 51 | 11.04 | 38 | 8.98 |
| Dissatisfied | 83 | 17.97 | 89 | 21.04 |
| No Opinion | 79 | 17.10 | 80 | 18.91 |
| TOTAL | 462 | 100 | 423 | 100 |

Source: Author Compilation

Regarding the satisfaction level of SSWEs about the lending schemes, in Tamilnadu 43.94% of the respondents are highly satisfied and 17.10% are highly unsatisfied whereas in Karnataka, 39.01% are highly satisfied and 18.91% are highly unsatisfied. The Chi square value is 4.5864, degrees of freedom 4 and critical value is 0.332428. The result is not significant ($p > \alpha$) at the 5% level, so the null hypothesis is rejected. This indicates a significant difference between small-scale women entrepreneurs in Tamil Nadu and Karnataka regarding their level of satisfaction with various lending services provided by financial institutions and government agencies.

7. 11.1 Motive for Satisfaction on Lending Services

| Table XIV: Motive for Satisfaction about the Lending services | | | | | |
|----------------------------------------------------------------------|-------------------------|-----------|------|-----------|------|
| S. No | Motive For Satisfaction | Tamilnadu | | Karnataka | |
| | | Mean | Rank | Mean | Rank |
| 1 | Easy accessibility | 10.640 | 1 | 10.655 | 2 |
| 2 | Low rate of interest | 9.721 | 4 | 8.007 | 10 |
| 3 | Adequate loan amount | 8.417 | 6 | 9.850 | 5 |

| | | | | | |
|----|--------------------------|--------|----|--------|---|
| 4 | No/low collaterals | 9.100 | 5 | 10.256 | 3 |
| 5 | Flexibility in terms | 10.204 | 3 | 10.333 | 4 |
| 6 | Easy repayment facility | 7.756 | 8 | 9.561 | 6 |
| 7 | Concessions | 7.750 | 9 | 8.458 | 8 |
| 8 | Incentives and subsidies | 10.250 | 2 | 10.750 | 1 |
| 9 | Customized schemes | 8.250 | 7 | 8.155 | 9 |
| 10 | Period of loan | 6.450 | 10 | 9.334 | 7 |

Source: Author Compilation

Table XIV reveals easy accessibility is the major motive for their satisfaction in the lending services which is ranked 1st, incentives and subsidies the 2nd motive for the same in Tamilnadu state. In Karnataka also, incentives and subsidies (1st rank) and easy accessibility (2nd Rank) are playing major role in satisfying the respondents regarding the lending services.

7.11.2 Motive for Dissatisfaction on Lending Services

| Table XV: Motive for Dissatisfaction about the Lending services | | | | | |
|------------------------------------------------------------------------|---------------------------------|-----------|------|-----------|------|
| S. No | Motive For Dissatisfaction | Tamilnadu | | Karnataka | |
| | | Mean | Rank | Mean | Rank |
| 1 | Huge legal formalities | 6.998 | 6 | 6.145 | 6 |
| 2 | High rate of interest | 7.250 | 5 | 6.650 | 5 |
| 3 | Heavy penalty for delay/default | 7.511 | 3 | 6.775 | 4 |
| 4 | Collateral issues | 8.128 | 1 | 7.250 | 1 |
| 5 | Documentation issues | 8.009 | 2 | 7.115 | 2 |
| 6 | Delayed loan sanction | 7.455 | 4 | 6.999 | 3 |

Source: Author Compilation

The above rank score comparison states the reason behind the dissatisfaction of women entrepreneurs about the lending services in Tamilnadu and Karnataka. More documentation and providing collaterals make them highly dissatisfied in both the states. They are facing the problem of high interest rate on their loan and penalty for delayed repayment.

7.12 Satisfaction Level of SSWEs on General Services

| Table XVI: Satisfaction Level of SSWEs about the General Services | | | | |
|--------------------------------------------------------------------------|-----------|-------|-----------|-------|
| Level Of Satisfaction | Tamilnadu | | Karnataka | |
| | F | % | F | % |
| Extremely Satisfied | 217 | 46.97 | 222 | 52.48 |
| Satisfied | 53 | 11.47 | 46 | 10.87 |

| | | | | |
|--------------|-----|-------|-----|-------|
| Neutral | 48 | 10.39 | 38 | 8.98 |
| Dissatisfied | 79 | 17.1 | 64 | 15.13 |
| No Opinion | 65 | 14.07 | 53 | 12.53 |
| TOTAL | 462 | 100 | 423 | 100 |

Source: Author Compilation

Financial institutions are providing other kind of customized services apart from lending services. The above table shows the satisfaction level of SSWEs. 46.97% of them are highly satisfied and 17.1% are dissatisfied in Tamilnadu. In Karnataka 52.48% are highly satisfied and 15.13% are dissatisfied the general services. 12.53% in Karnataka and 14.07% in Tamilnadu have no opinion about the general services as they don't avail any kind of services from the FIs and GAs.

χ^2 Test: The χ^2 value is 2.7952, degrees of freedom 4 and critical value is 0.592655. The result is not significant ($p < \alpha$) at 5%. Hence, reject H_0 . The level of satisfaction on the general services provided by those financial institutions and government agencies between the small-scale women entrepreneurs of Tamilnadu and Karnataka is significantly different.

7.12.1 Motive for Satisfaction on General Services

| Table XVII: Motive for Satisfaction about the General services | | | | | |
|----------------------------------------------------------------|-----------------------------|-----------|------|-----------|------|
| S. No | Motive For Satisfaction | Tamilnadu | | Karnataka | |
| | | Mean | Rank | Mean | Rank |
| 1 | Friendly staff | 7.100 | 6 | 7.667 | 5 |
| 2 | Greater support | 9.852 | 1 | 8.650 | 1 |
| 3 | Timely guidance | 8.153 | 4 | 8.350 | 2 |
| 4 | Quick supply of information | 9.753 | 2 | 7.859 | 4 |
| 5 | swift processing of loans | 8.459 | 3 | 8.124 | 3 |
| 6 | Better services | 7.410 | 5 | 7.334 | 6 |

Source: Author Compilation

The above rank score comparison tables state the reason behind the satisfaction as well as dissatisfaction of women entrepreneurs about the general services in both Tamilnadu and Karnataka. The SSWEs have been experiencing greater support from the respective institution which is ranked 1st in both Tamilnadu and Karnataka.

7.12.2 Motive for Dissatisfaction on General Services

| Table XVIII: Motive for Satisfaction about the General services | | | | | |
|-----------------------------------------------------------------|----------------------------|-----------|------|-----------|------|
| S. No | Motive For Dissatisfaction | Tamilnadu | | Karnataka | |
| | | Mean | Rank | Mean | Rank |
| 1 | Unnecessary delay | 6.418 | 6 | 6.065 | 6 |
| 2 | Attitude of the employees | 7.250 | 5 | 6.150 | 5 |
| 3 | slow in loan processing | 7.517 | 3 | 6.335 | 4 |
| 4 | Hidden information | 8.138 | 1 | 7.550 | 1 |
| 5 | Poor customer relationship | 8.329 | 2 | 7.210 | 2 |

Source: Author Compilation

The women entrepreneurs feel that the hidden information behind providing services and poor customer relationships is the major motive for their dissatisfaction which is ranked 1st out of other motives of dissatisfaction in Tamilnadu as well as Karnataka.

8. Findings

- 36% among all the women respondents are less aware about the financial institutions functioning in Tamilnadu where as in Karnataka it is 34%.
- Majority of women respondents have approached public sector banks (ranked 1st) in Tamilnadu and approached KSFC (ranked 1st) for getting financial assistance for setting up of their business.
- 39.61 % of the loan applications of the women respondents have been rejected by the financial institutions at their first proposal in Tamilnadu and the same are 31.77% in Karnataka.
- The issues relating to documentation is the primary cause for the refusal of loan proposals of SSWEs by the financial institutions and government agencies in both Tamilnadu (36.61%) and Karnataka (44.03%).
- Only 6.93% in Tamilnadu and 9.22% in Karnataka are highly aware about various lending schemes.
- 45% of Tamilnadu SSWEs and 40.14% of Karnataka SSWEs are getting information majorly from the Government Agencies.
- New Entrepreneur Cum Enterprise Development Scheme (NEEDS) is more popular in Tamilnadu and in Karnataka, both Single Window Scheme and Working Capital Assistance Scheme is equally popular among the Women Entrepreneurs.
- Both in Tamilnadu and Karnataka, the women entrepreneurs have been able to manage their business by raising fund from appropriate sources. Their debt portion also has been reduced from 50-75% to 25-50%.

- i. Regarding nature of development, operational efficiency is highly achieved in Tamilnadu whereas in Karnataka, it is efficient mobilization of resources.
- j. 43.94% in Tamilnadu of the respondents are highly satisfied and 39.01% in Karnataka are highly satisfied about the lending schemes because of incentives and subsidies provided by GAs in both the states.
- k. More documentation and providing collaterals make them highly dissatisfied in both the states.
- l. 46.97% in Tamilnadu and 52.48% in Karnataka are highly satisfied about the general services since they have been experiencing greater support from FIs.
- m. Hidden information and poor customer relationships from GAs are the major motive for the dissatisfaction in Tamilnadu as well as Karnataka.

9. Conclusion

The present study “Role of Financial Institutions and Government Agencies on Small Scale Women Entrepreneurs” observes the level of awareness, level of satisfaction of SSWEs over the lending schemes and general services of and the growth attained by them through the support of various FIs and GAs between Tamilnadu and Karnataka states. It was found that both states have similar levels of awareness regarding lending schemes, general services, and various sources of information. Most women entrepreneurs who utilized different lending schemes reported high satisfaction and observed significant business growth in the short term. It is accepted by the SSWEs in both Tamilnadu as well as Karnataka that various subsidy schemes of central and state government agencies have helped them greatly along with the Financial Institutions operating in both the States. The women entrepreneurs who have started their business recently expect and suggested that it would be very supportive if they are provided with zero percent loans at least for the first 3-5 years period in order to compete with the competitive market condition. The contribution of SSWEs would increase in the upcoming years only when they will be provided with more training and workshops regarding various schemes actually available to them.

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